

Puget Sound Gateway Program

SR 167 and SR 509 Completion Projects

Craig J. Stone, PE
Gateway Program Administrator

Brent Baker
Tolling and Finance, Gateway Program

Joint Transportation Committee
November 13, 2018

Roger Millar, Secretary of Transportation
Keith Metcalf, Deputy Secretary of Transportation

Agenda

- Key work efforts and deliverables
 - Construction and Implementation Plan
 - Local Contributions
 - Tolling
 - Benefits of Schedule Acceleration

Construction and Implementation Plan

Delivered on
Sept. 28, 2018



Submit
Construction &
Implementation
Plan

• September 2018

Identify delivery
packages,
expenditure and
sequencing
plans

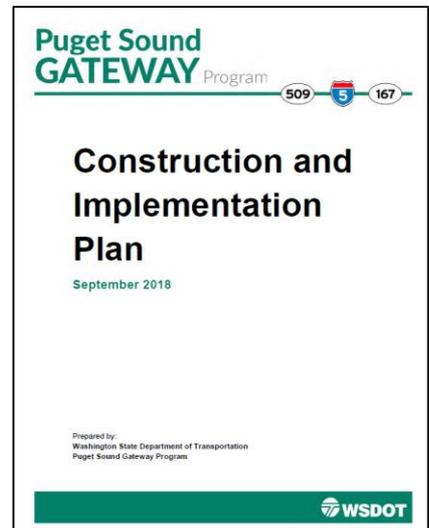
• April - June 2018

Define updated
preferred
scenario

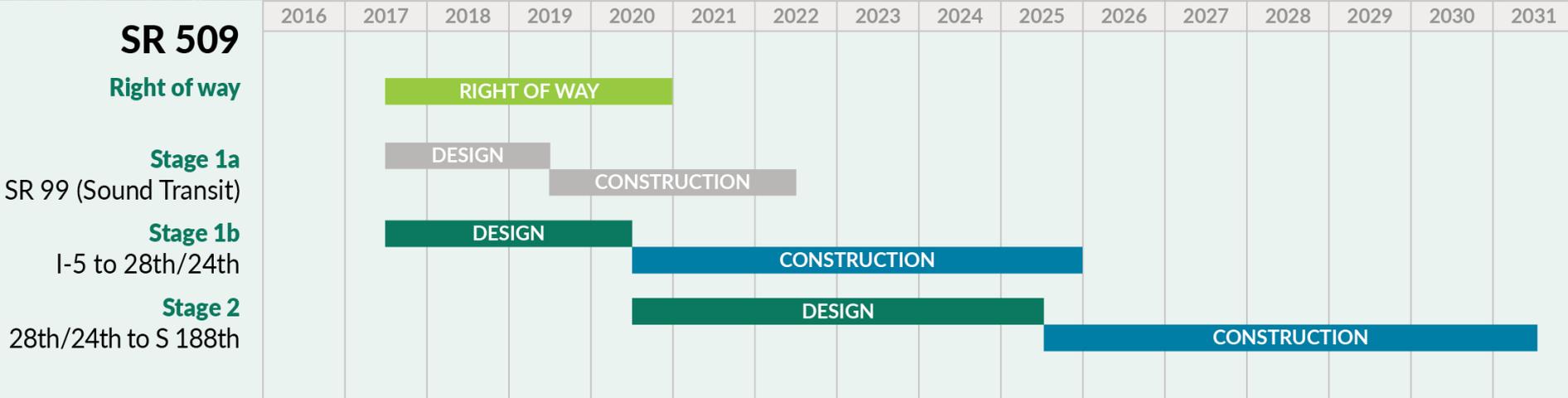
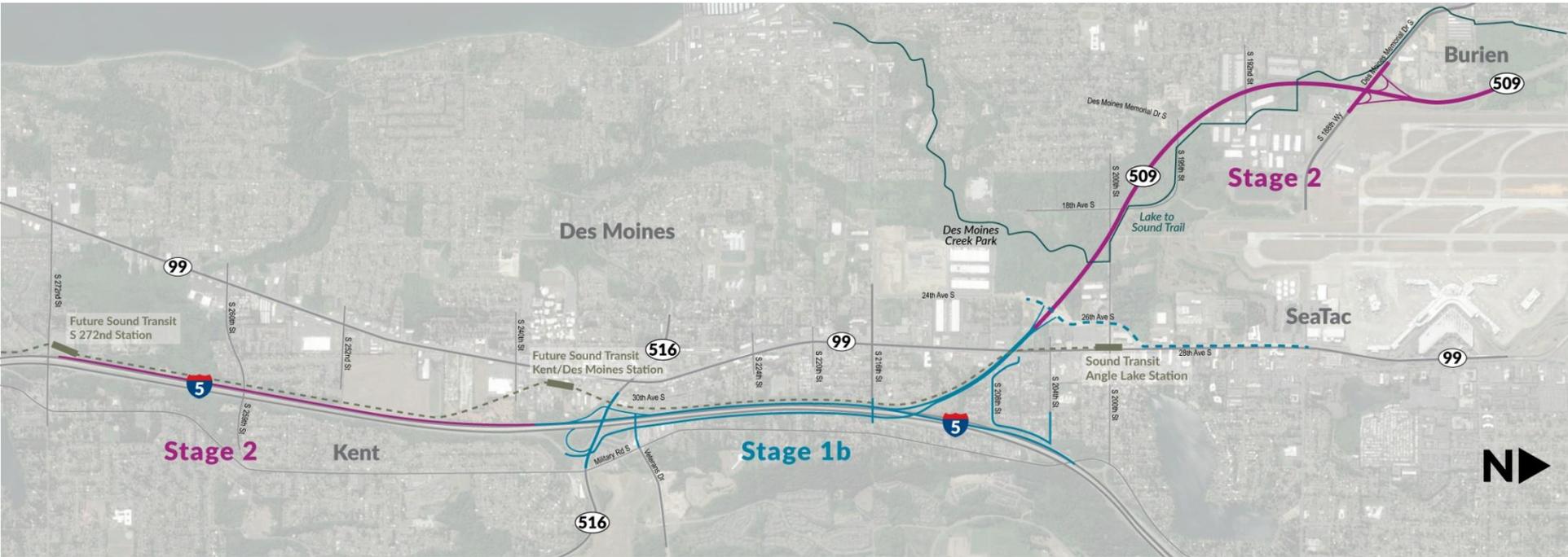
• March 28 & April 5,
2018

Develop outline
and major topic
areas

• Feb – March 2018



SR 509 Construction Stages – \$968 Million



Local Contributions

MOU Development Process

Concur on goals, partnership principles and responsibilities

• October 4, 2017

Approach to Benefit Framework and Partner Roles

• December 13, 2017

Partner Concurrence on MOU

• January-March 2018

Delivered on June 28, 2018

Ratify MOU

• April – June 2018

Puget Sound Gateway Program SR 167 and SR 509 Completion Projects

Local Funding and Phasing Memorandum of Understanding

1. Participating Parties

In addition to the Washington State Department of Transportation (WSDOT), the following Local Agency Partners contribute their local contributions to the Memorandum of Understanding ("MOU") to the local contribution requirements for the Puget Sound Gateway Program (Gateway Program).

- | | | |
|--------------------|-----------------------|--------------------|
| • Port of Seattle | • City of Bellevue | • City of Milton |
| • Port of Tacoma | • City of Des Moines | • City of Pacific |
| • Snohomish County | • City of Edmonds | • City of Lynnwood |
| • Pierce County | • City of Federal Way | • City of Seattle |
| • City of Allyn | • City of Fife | • City of Sumner |
| • City of Auburn | • City of Kent | • City of Tacoma |

2. Background and Purpose of MOU

In July 2015, the Washington State Legislature passed and Governor Inslee signed into law the Gateway Program through the Comprehensive Washington revenue package. The Gateway Program is comprised of two projects: the State Route 167 Completion Project and the State Route 509 Completion Project. These projects provide essential connections to the ports of Tacoma and Everett and will help ensure that people and goods move more reliably through the Puget Sound region.

WSDOT is the lead project sponsor and is responsible for the planning, design and construction of the Gateway Program, as well as for its overall financial management. The program has been funded from its beginning as a public-private partnership between WSDOT and local partners, comprised of elected and appointed representatives of local jurisdictions served by the Gateway Program (Olympia, Auburn, Burien, Des Moines, Edgewood, Federal Way, The Rent, Milton, Pacific, Puyallup, Shelton, Everett, Tacoma, King County, Pierce County, Port of Seattle, and Port of Tacoma) as well as federal Highway Administration, Washington State Transportation Commission, Washington State Department of Transportation, Puget Sound Regional Council, Snohomish County, Pierce County, and the Tri-County Metropolitan Investment Board.

Funding for the Gateway Program has been approved to come from the state gas tax, tolls, local contributions, in-place state federal and state grants. Total funding for the Gateway Program from the 2015 Comprehensive Washington revenue package is \$1.875 billion, which includes local contributions of \$160 million. The program has been funded over a 16-year

MOU – Accomplished ✓

Stephen P. Metruck
Executive Director
Port of Seattle

John Wolfe
Chief Executive Officer
Port of Tacoma

Dow Constantine
County Executive
King County

Bruce Dammeier
County Executive
Pierce County

David E. Hill
Mayor
City of Algona

Nancy Backus
Mayor
City of Auburn

Brian Wilson
City Manager
City of Burien

Michael Matthias
City Manager
City of Des Moines

Daryl Eiding
Mayor
City of Edgewood

Jim Ferrell
Mayor
City of Federal Way

Hyun Kim
City Manager
City of Fife

Dana Ralph
Mayor
City of Kent

Shanna Styron-Sherrell
Mayor
City of Milton

Leanne Guier
Mayor
City of Pacific

Kevin Yamamoto
City Manager
City of Puyallup

Appas form: Mary M. Angelo Bartolo, Seatac

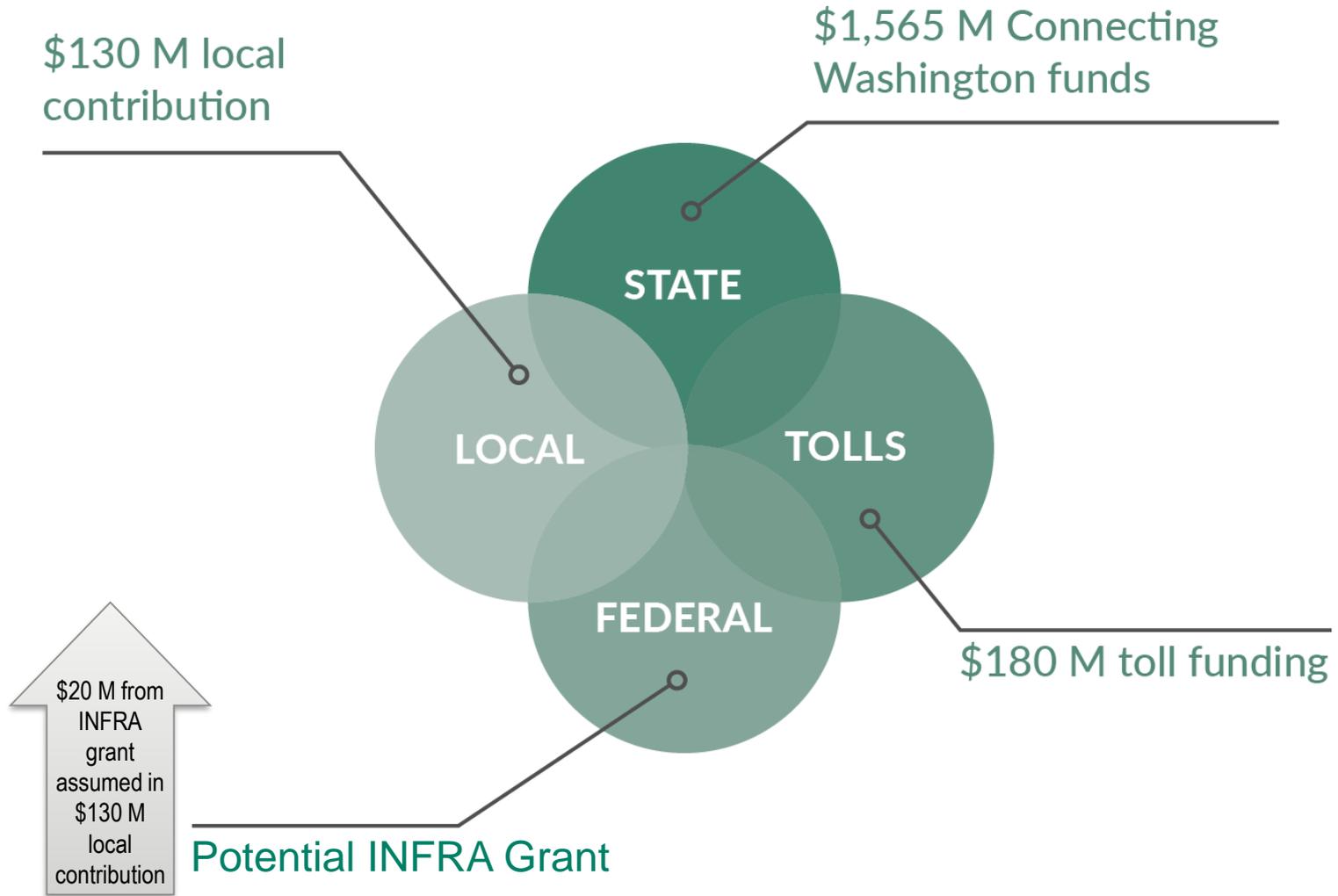
Joseph Scorlio
City Manager
City of SeaTac

William L. Pugh
Mayor
City of Sumner

Elizabeth A. Pauli
City Manager *Approved as before*
City of Tacoma

Roger Millar
Secretary of Transportation
Washington State Department of Transportation

Gateway Funding Spheres



Partner Commitments –

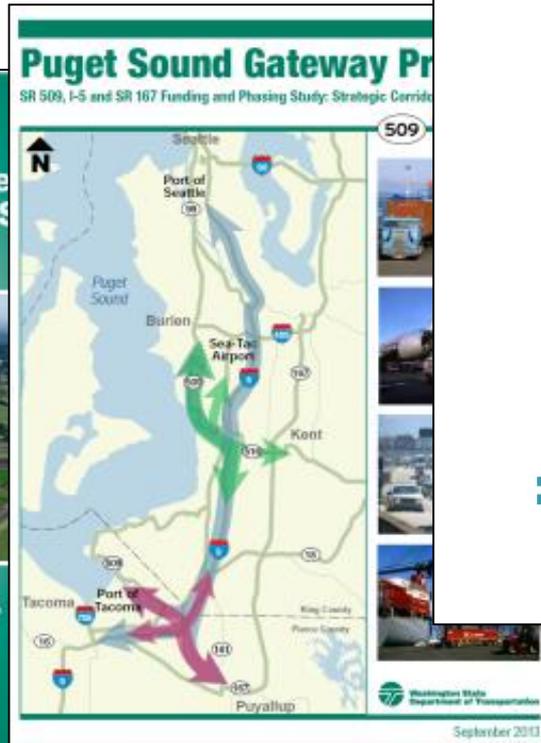
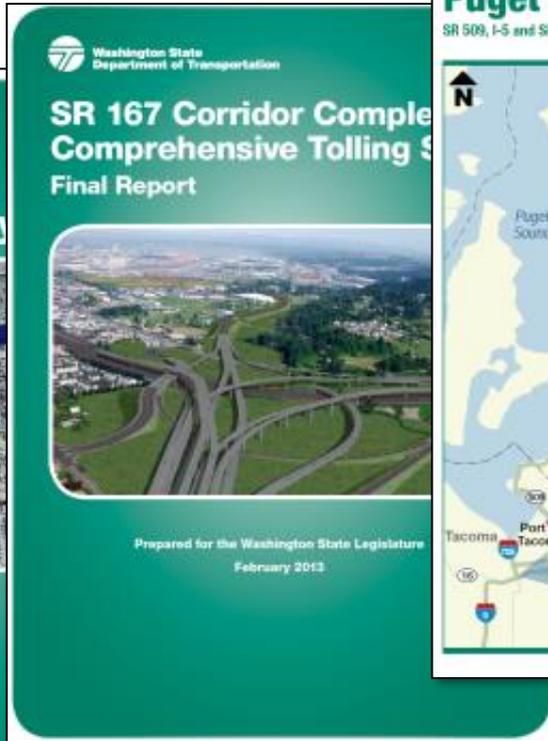
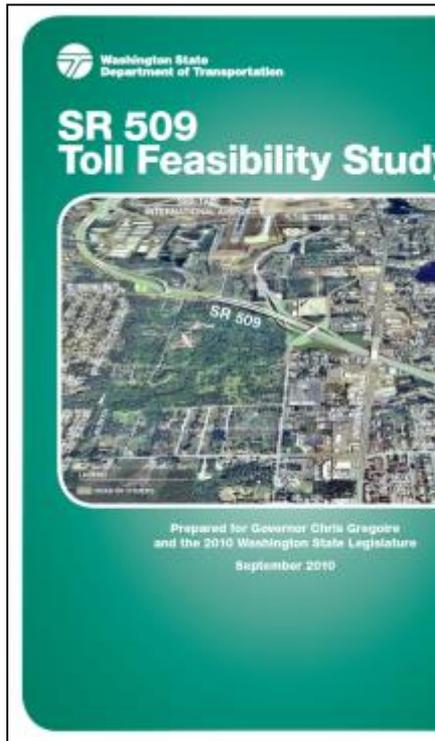
Direct Contributions

Partner Agency	Amount
City of Fife	\$1,600,000
City of Tacoma	\$2,000,000
City of Kent	\$2,000,000
City of SeaTac	\$2,000,000
City of Puyallup	\$2,000,000
City of Des Moines	\$500,000
City of Edgewood	\$500,000
City of Sumner	\$500,000
Pierce County	\$2,000,000
King County	\$1,000,000
Port of Seattle	\$30,000,000
Port of Tacoma	\$30,000,000
TOTAL	\$74,100,000

Grants

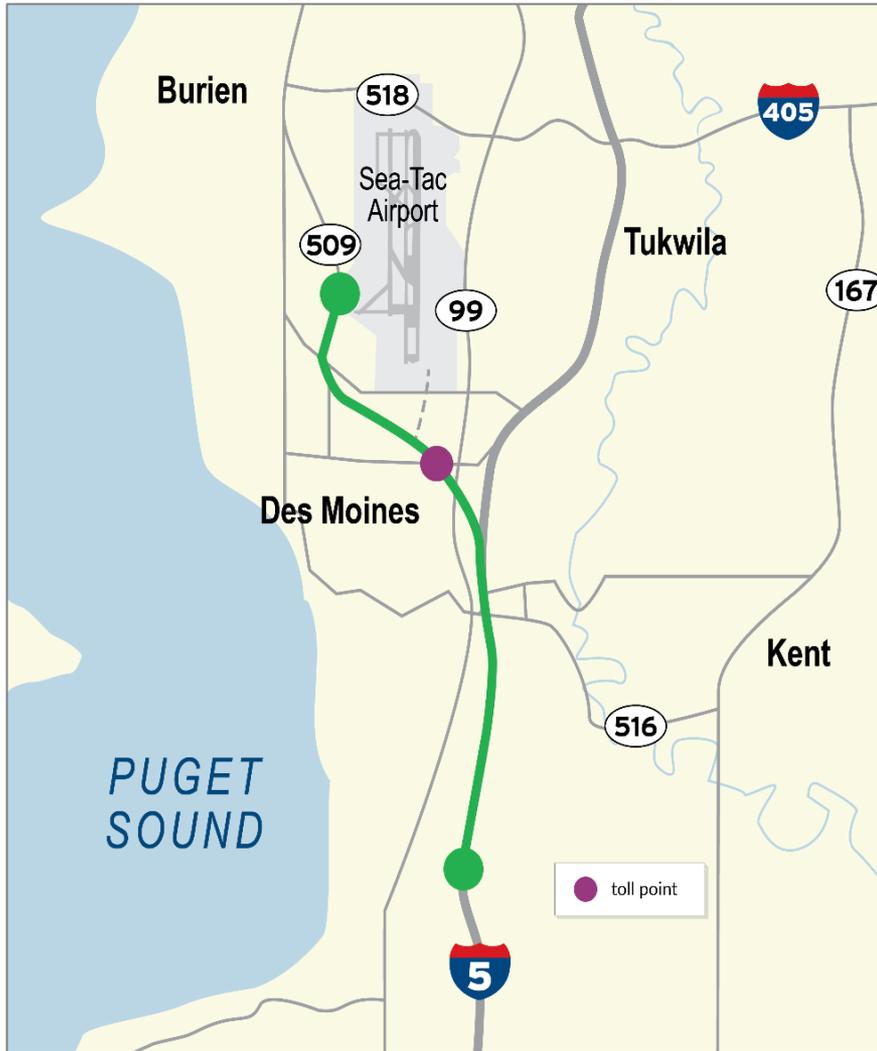
Stage 1 Grant Assumptions	App Year	Planned	Obtained
Federal INFRA (local share)	2017	\$20,000,000	
Interurban Trail	2017	\$1,400,000	\$1,400,000
FMSIB 70th Ave E	2018	\$5,000,000	\$5,000,000
FMSIB Port of Tacoma Spur	2020	\$5,000,000	
PSRC Veterans Extension	2018	\$4,500,000	\$4,000,000
PSRC Port of Tacoma Spur	2018	\$4,500,000	\$4,000,000
TIB 70th Avenue E	2018	\$5,000,000	
TIB Veterans Extension	2019	\$5,000,000	
SUBTOTAL		\$50,400,000	\$14,400,000
Stage 2 Grant Assumptions			
SR167/Valley Avenue	2022	\$3,000,000	
SR167/Meridian Avenue	2022	\$3,000,000	
SR 167 Stage 2	2022	\$4,000,000	
SR 509 Stage 2	2022	\$4,000,000	
SUBTOTAL		\$14,000,000	
Total Grants		\$64,400,000	\$14,400,000
+ Direct Local Contributions		\$74,100,000	
STRATEGY TOTAL		\$138,500,000	

Tolling

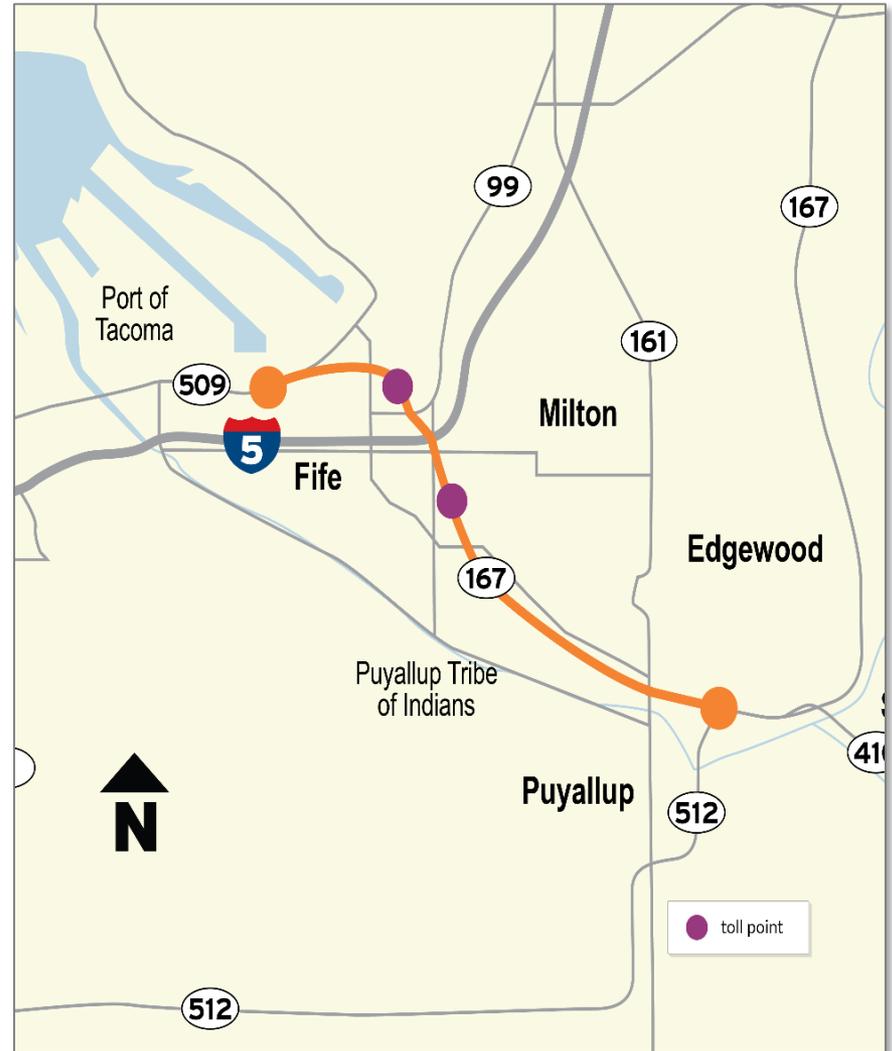


Gateway Toll Points

SR 509



SR 167 & Port of Tacoma Spur



Toll Policy Test Scenarios

Scenario		SR 509	SR 167	PoT Spur
Tolled	1	Base Condition	All vehicles tolled based on number of axles	
	2	Commercial Trucks Equal	All vehicles tolled at the same rate (no axle multipliers)	
	3	Port of Tacoma Spur: Commercial Trucks Free	All vehicles tolled based on number of axles	3+ axle vehicles free
	4	Commercial Trucks Free	2 axle vehicles tolled 3+ axle vehicles free	
	5	Port of Tacoma Spur: Free	All vehicles tolled based on number of axles	All vehicles free
	6	HOV 2+ Free	Vehicles with 2+ occupants free with Good To Go! all other vehicles tolled based on number of axles	
No Toll	7	Non-Tolled: Managed by Vehicle Class	Single occupant 2-axle vehicles prohibited all HOVs with Good To Go! & vehicles with 3+ axles free	
	8	Non-Tolled	All vehicles toll free	

Toll Policy Scenarios to Carry Forward

Scenario		Compliance / Enforcement	\$180M Funding Capacity	System Policy Consistency	Freight Supportive	Facility Performance	Adjacent Facility Impacts	
Tolled	1 Base Condition	●	●	●	●	●	●	✓
	2 Commercial Trucks Equal	●	●	●	●	●	●	✓
	3 Port of Tacoma Spur: Comm'l Trucks Free	○	●	●	●	●	●	
	4 Commercial Trucks Free	○	●	○	●	●	●	
	5 Port of Tacoma Spur: Free	●	●	●	●	●	●	✓
	6 HOV 2+ Free	●	●	●	●	●	●	
No Toll	7 Non-Tolled: Managed by Vehicle Class	○	○	○	●	●	●	
	8 Non-Tolled	●	○	○	●	○	●	✓

Legend: Better ● ● ● ● ○ Worse

✓ Selected for further analysis

Benefits of Schedule Acceleration

Delivered on
Sept. 28, 2018

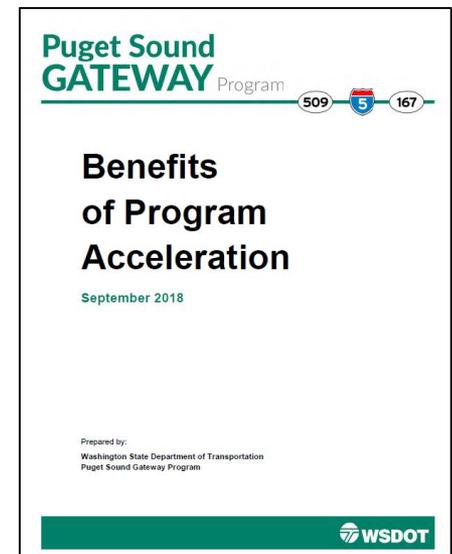


Determine cost inputs, CEVP and CCI
• Nov 2017 – Apr 2018

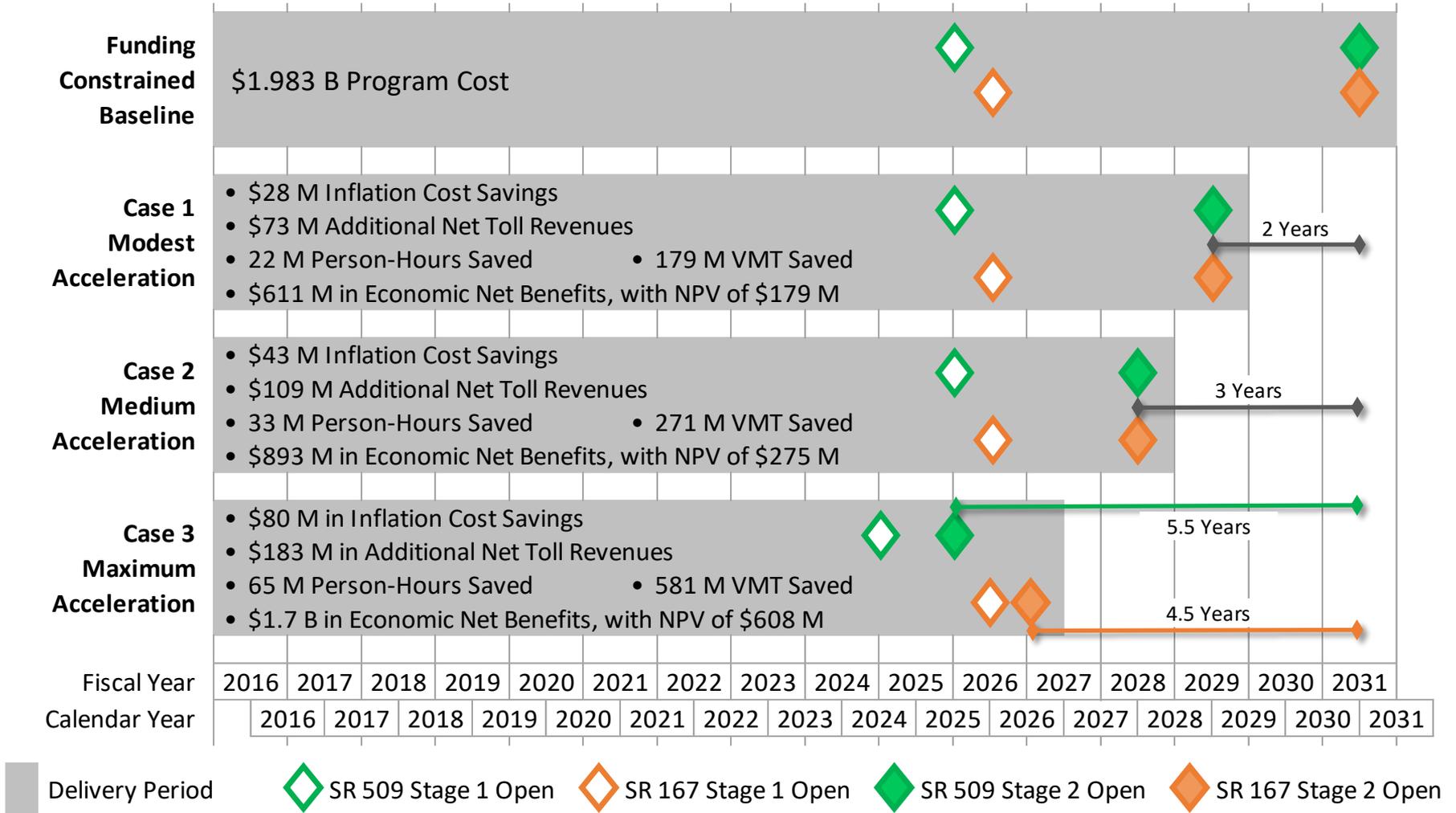
Travel demand and toll funding analysis
• Dec 2017 – May 2018

Determine funding and phasing opportunities and constraints
• March - June 2018

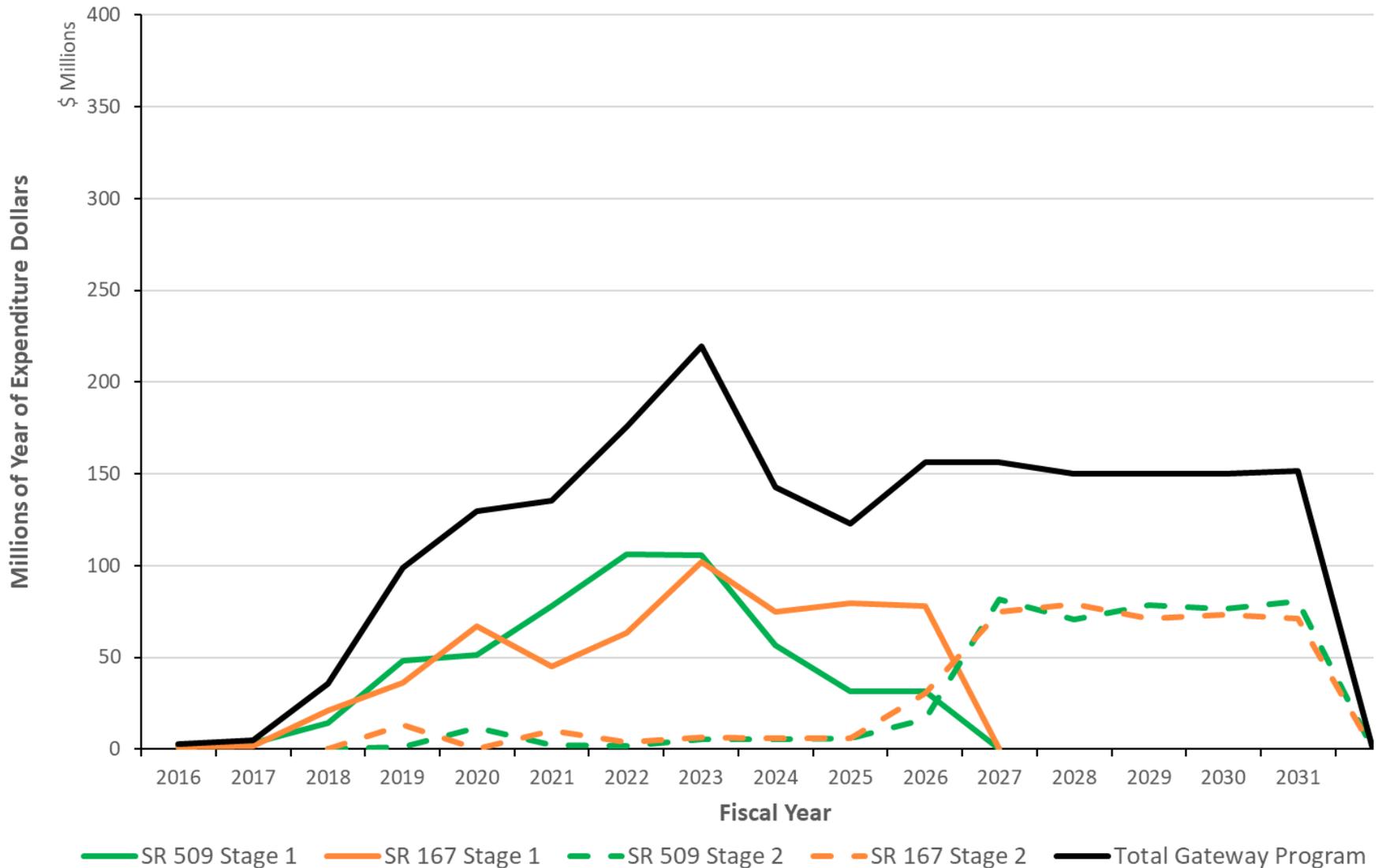
Issue report identifying acceleration benefits
• September 2018



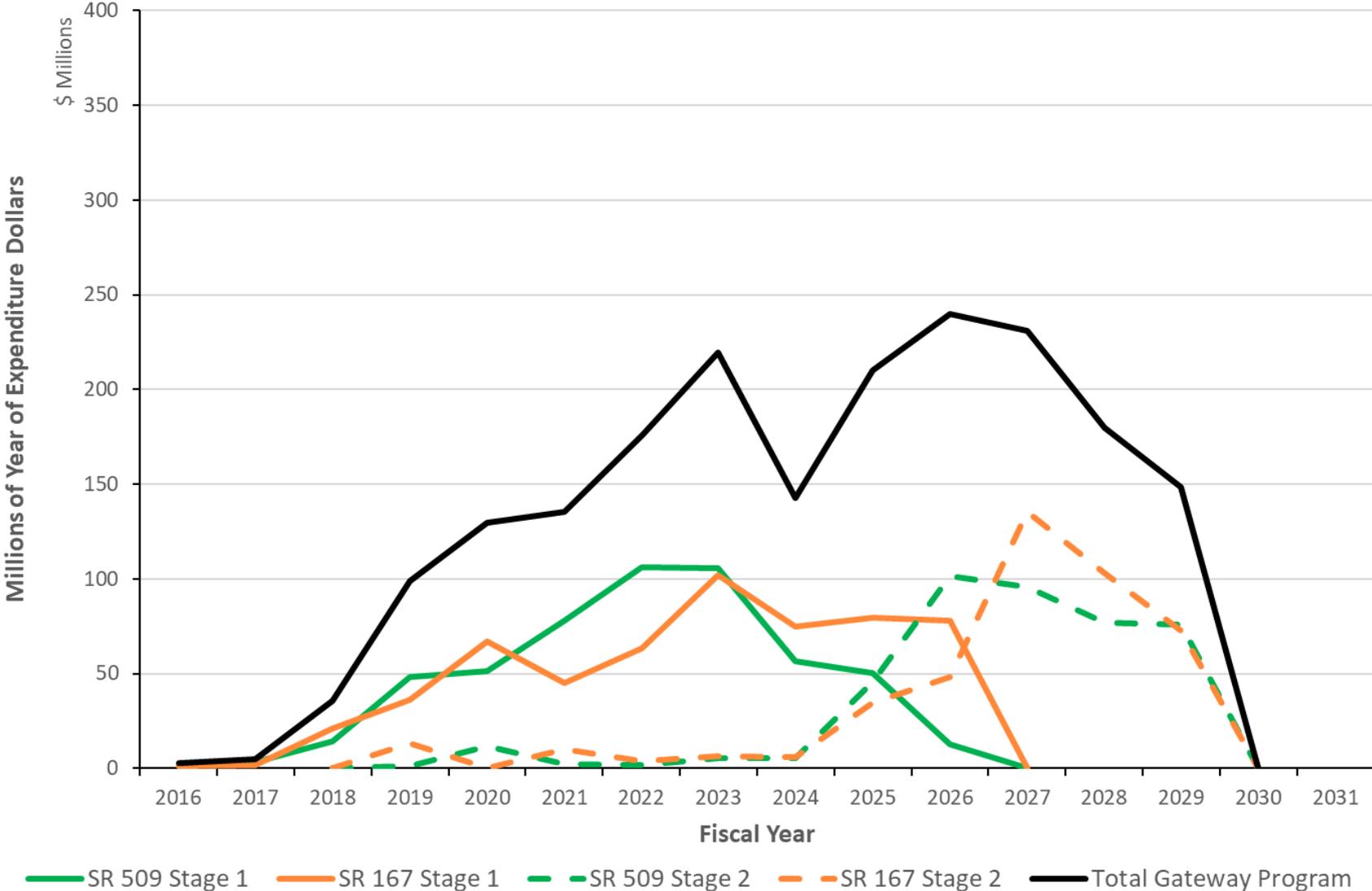
Schedule Acceleration Benefits Summary



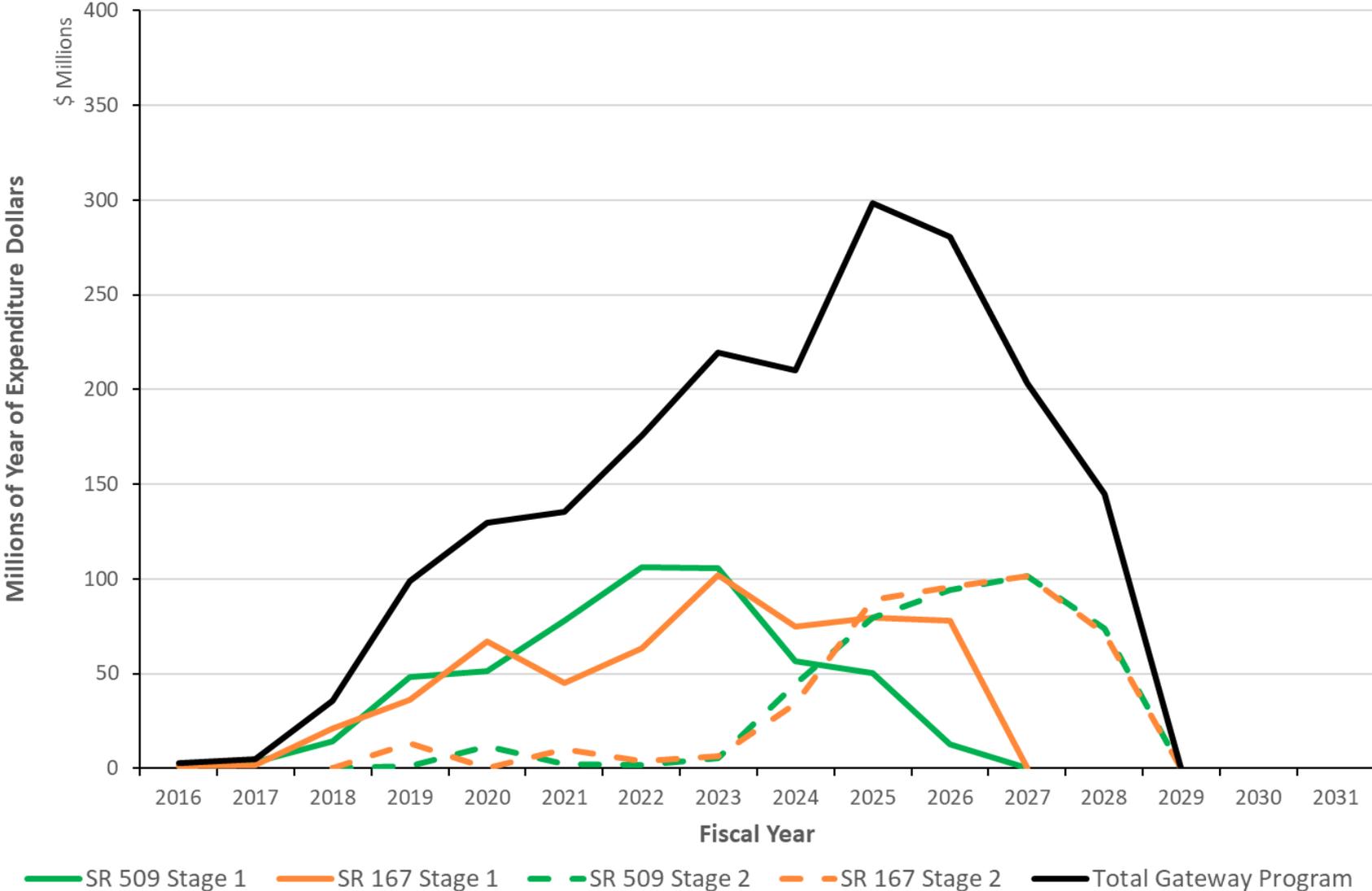
Funding Constrained Baseline Expenditures by Project & Stage



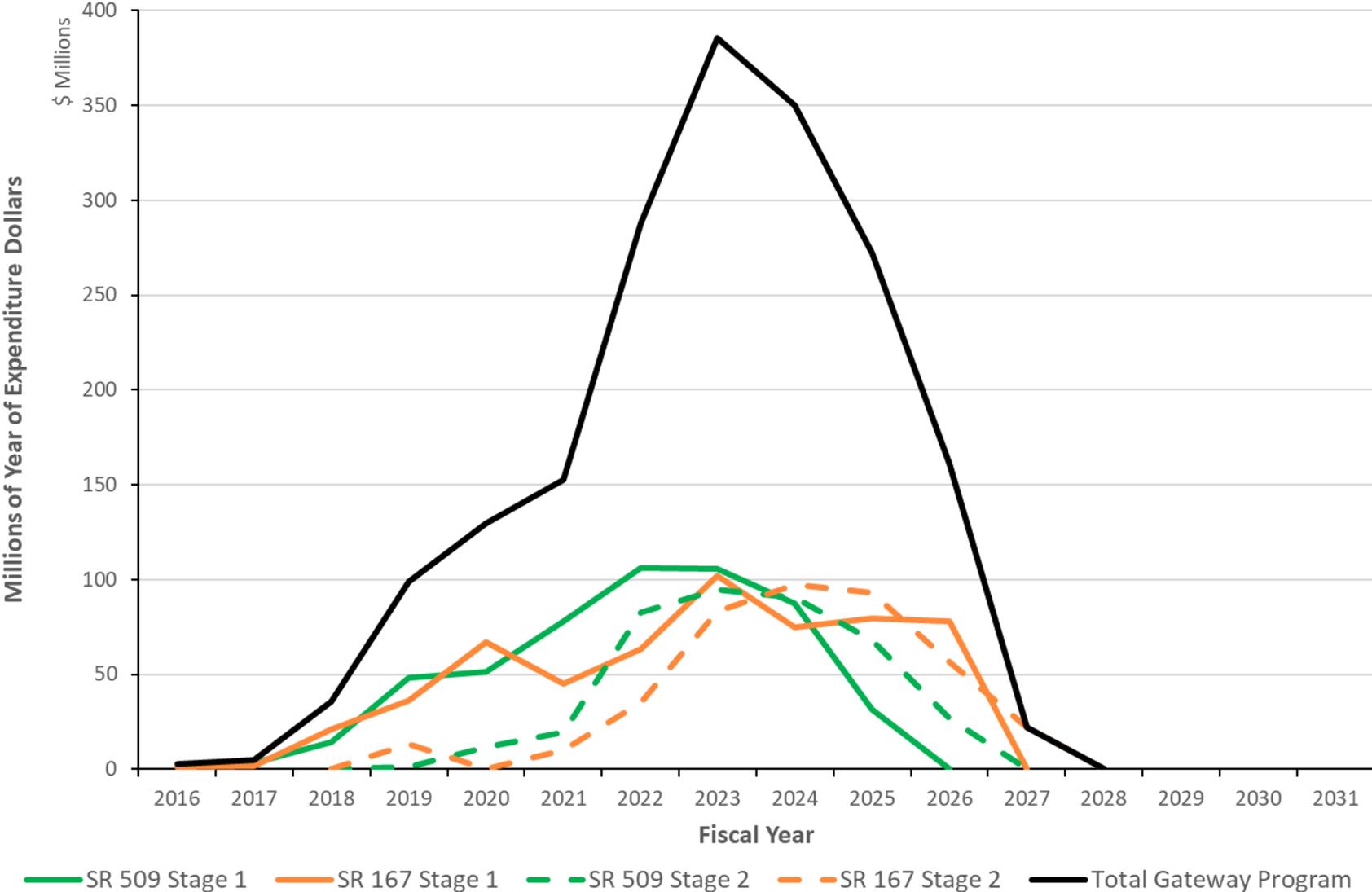
Acceleration Case #1: Modest Acceleration Expenditures by Project & Stage



Acceleration Case #2: Medium Acceleration Expenditures by Project & Stage



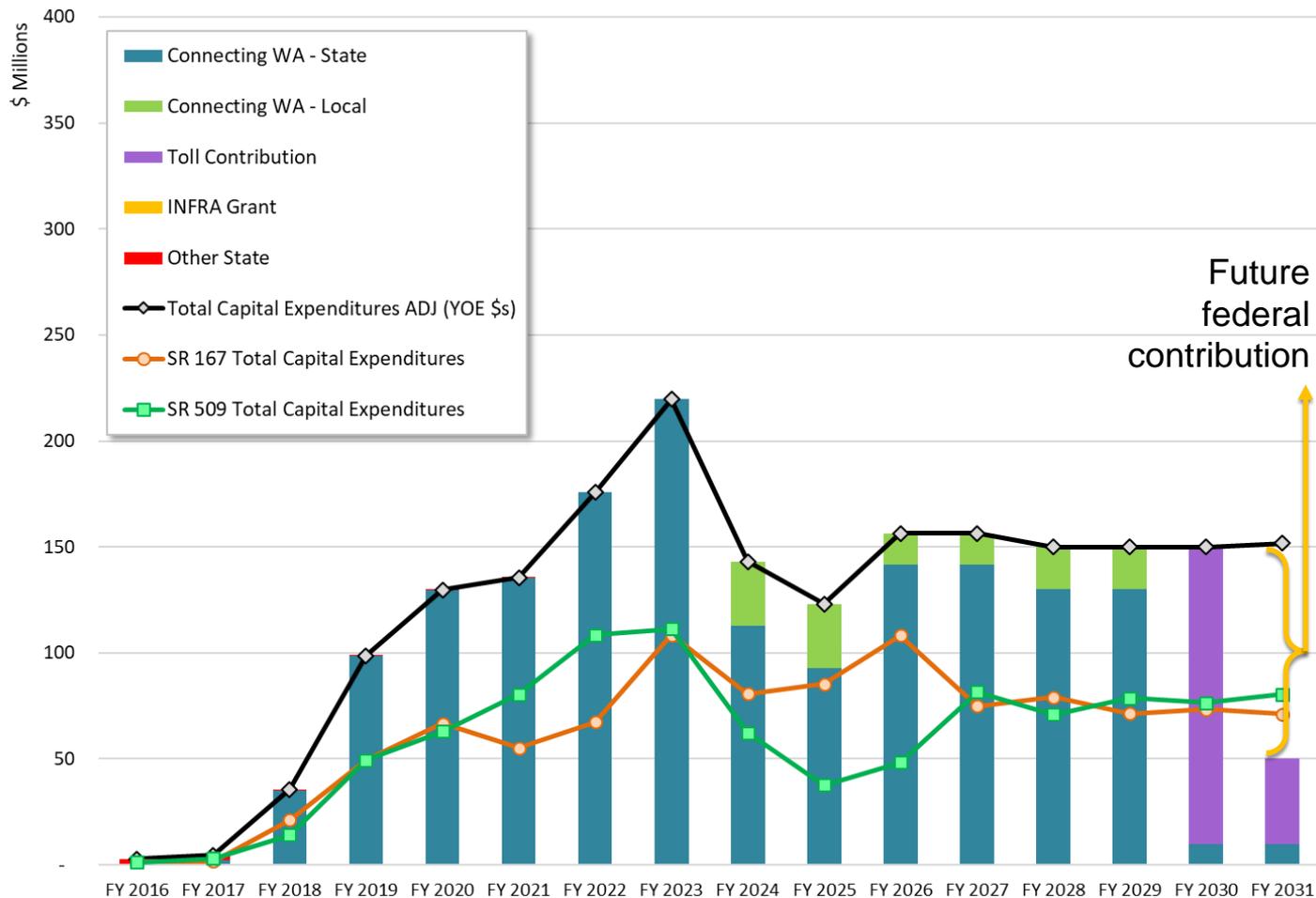
Acceleration Case #3: Maximum Acceleration Expenditures by Project & Stage



Funding Constrained Baseline

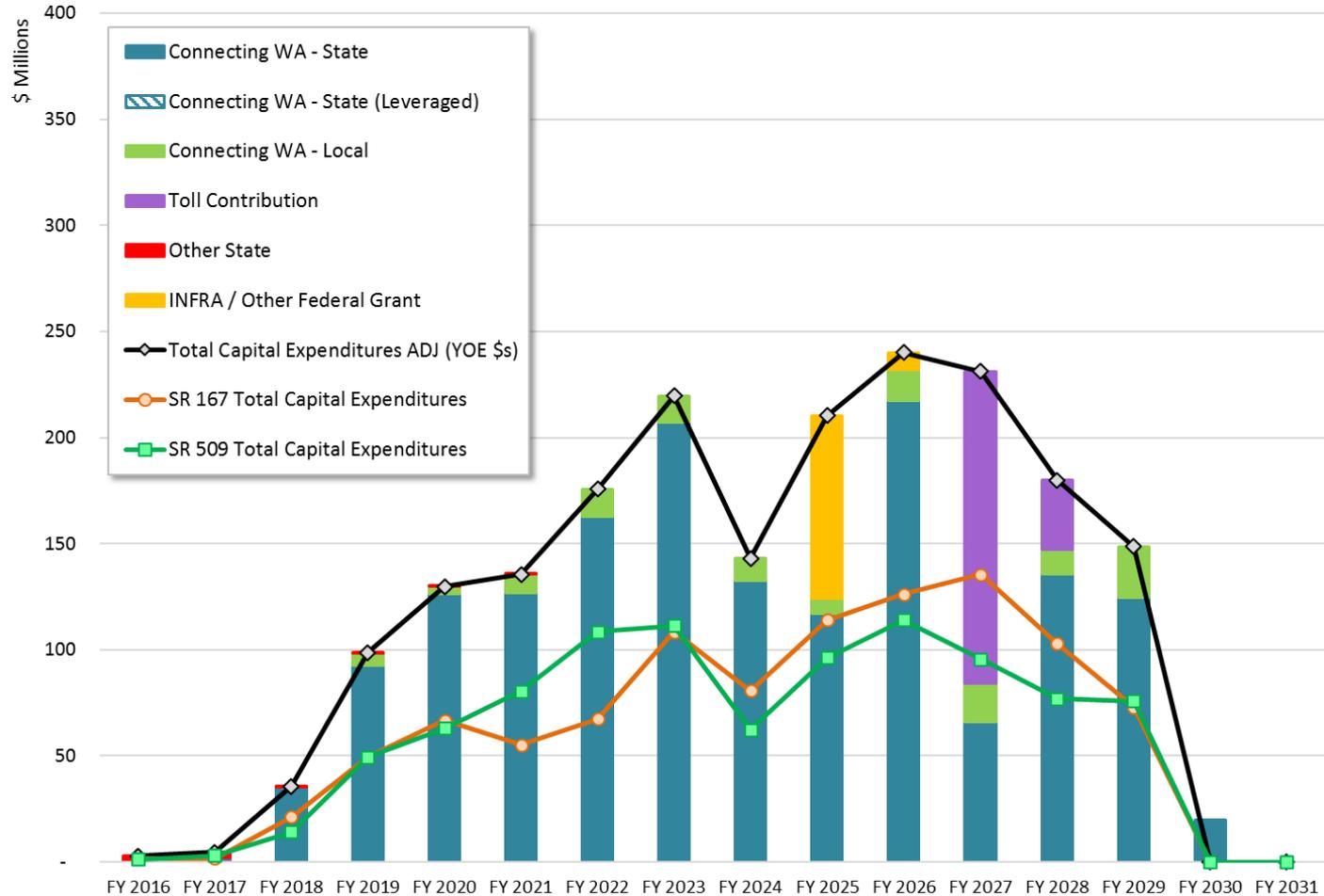
Sources & Uses of Funds

- Capital expenditures timed to match legislative funding
- Incorporates latest June 2018 inflation indices
- Funding gap shown in FY 2031; anticipated to be filled earlier with a possible federal contribution
- Stage 2 open to traffic with tolling in January 2031 (mid FY 2031)
- Toll funding needed up to 1.5 years before Stage 2 operations
- Represents the basis of comparison for the three acceleration cases



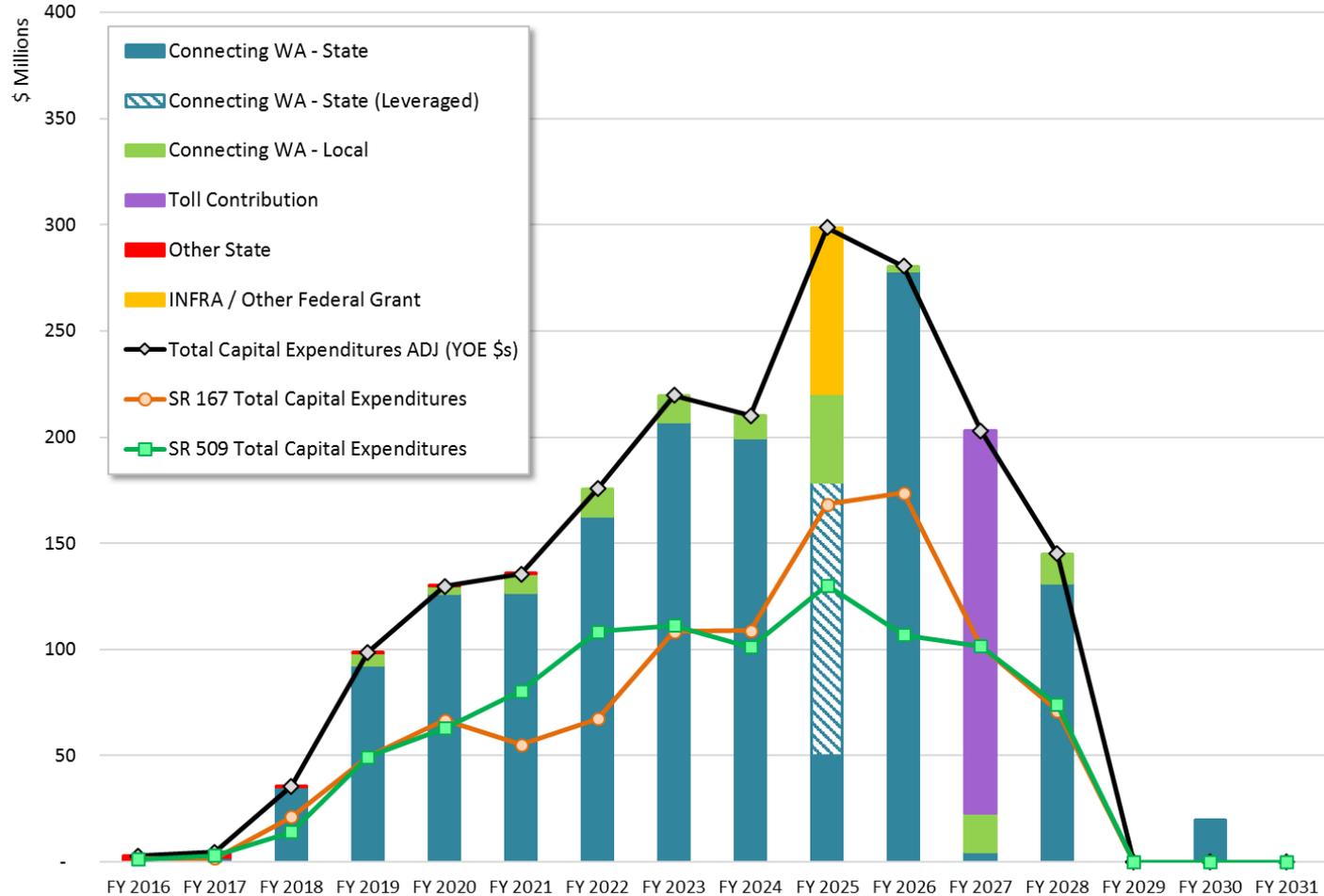
Acceleration Case #1: Modest Acceleration Sources & Uses of Funds

- Stage 2 opens 2 years earlier in mid FY 2029 (January 2029)
- Capital expenditures accelerated without leveraging CW State funds
- \$44 M of early CW State funds delayed until FY 2024 due to accelerated local funds
- Toll funding needed up to 2.5 years before Stage 2 operations
- Need \$114 M federal grant (INFRA) in FY 2025-26 (\$20 M to local contribution)
- \$20 M in “unused” CW State funds left in FY 2030



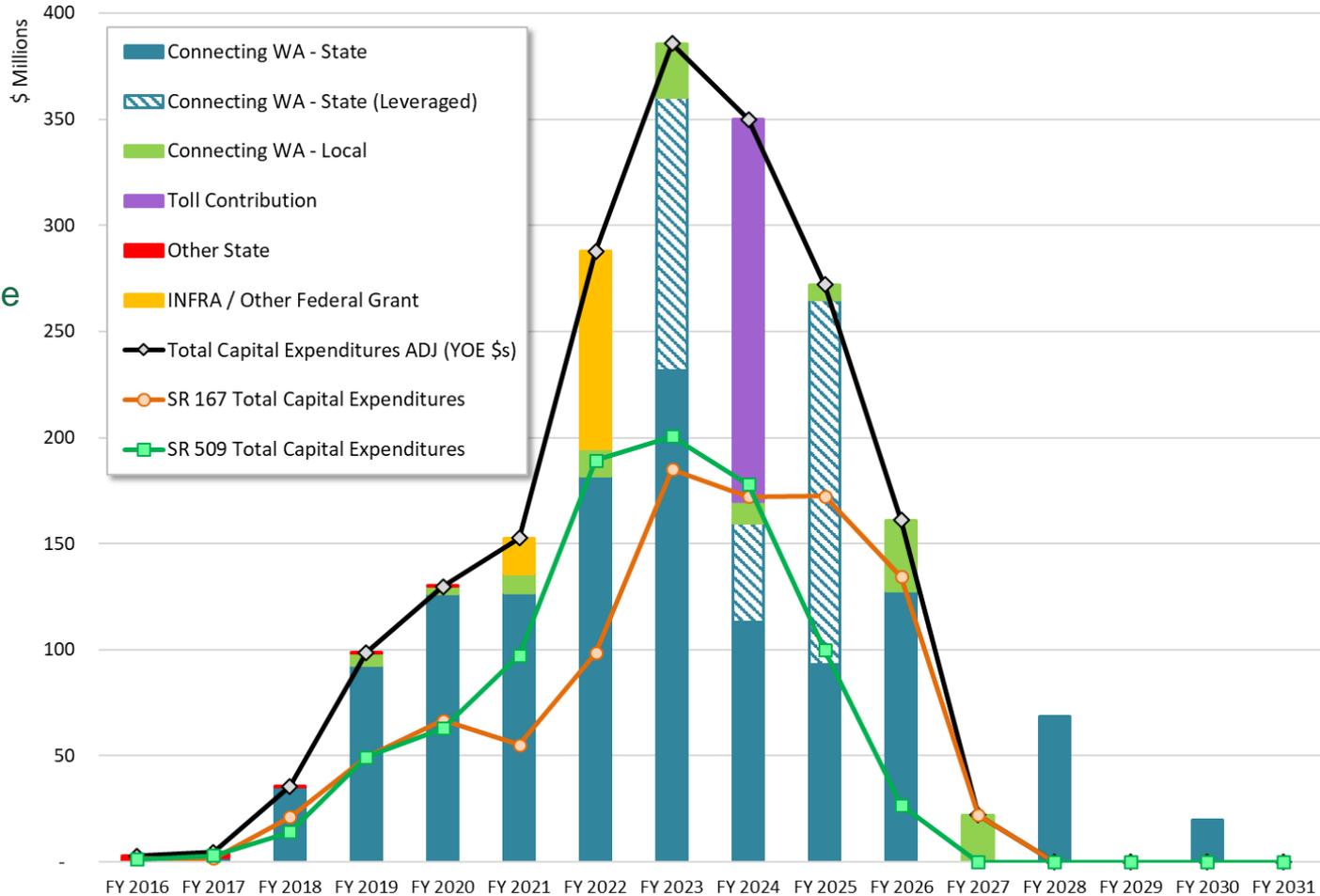
Acceleration Case #2: Medium Acceleration Sources & Uses of Funds

- Stage 2 opens 3 years earlier in mid FY 2028 (January 2028)
- \$129 M of later CW State funds advanced from FY 2028 to FY 2025
- \$44 M of early CW State funds delayed until FY 2024
- Toll funding needed 1.5 years before Stage 2 operations
- Need \$98 M federal grant (INFRA) in FY 2025-26 (\$20 M to local contribution)
- \$20 M in “unused” CW State funds left in FY 2030

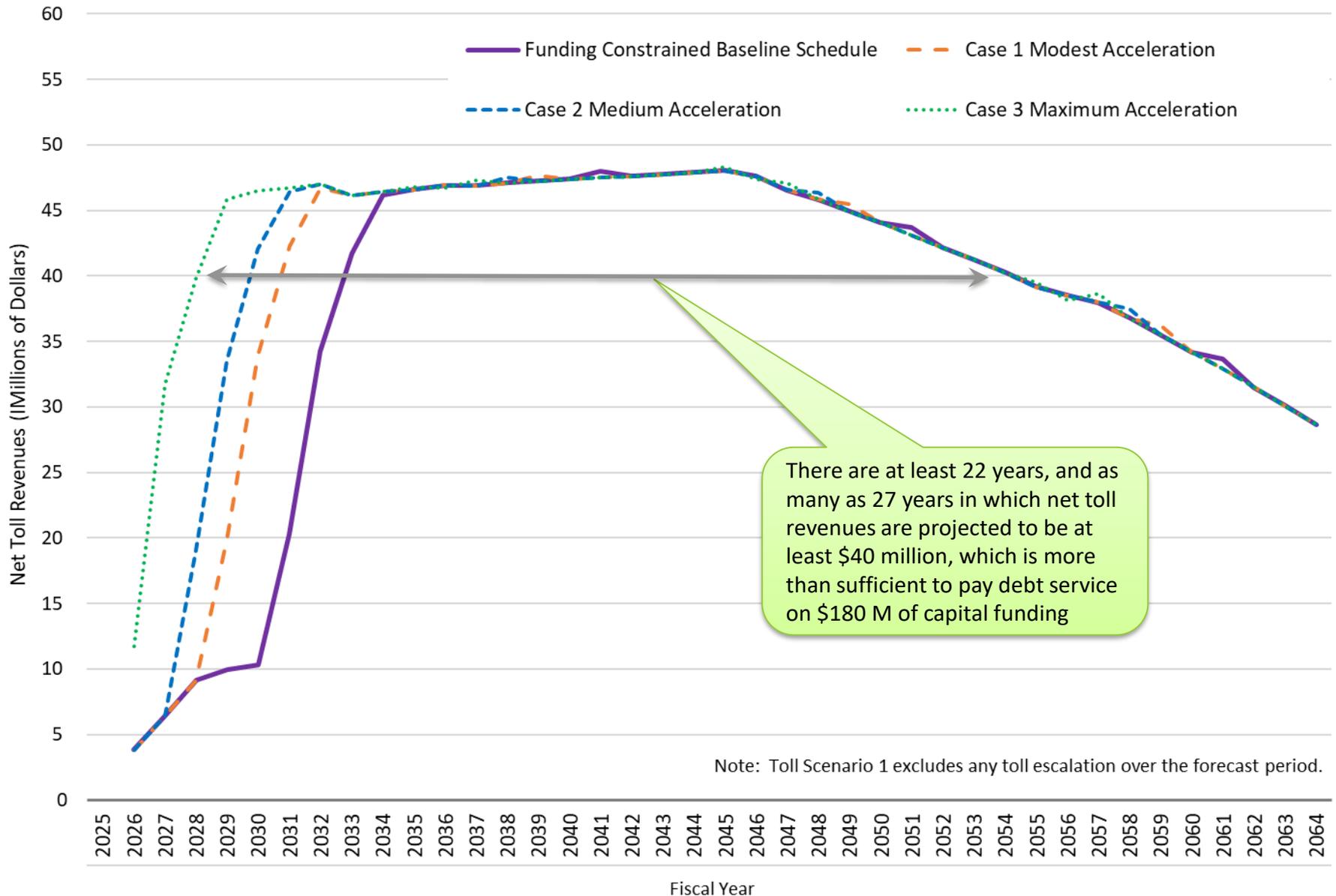


Acceleration Case #3: Maximum Acceleration Sources & Uses of Funds

- SR 167 Stage 2 opens 4.5 years earlier in FY 2027 (July 2026)
- SR 509 Stage 2 opens 5.5 years earlier in FY 2026 (July 2025)
- \$346 M of later CW State funds advanced by 2 biennia into FY 2023-25
- Toll funding needed up to 3 years before Stage 2 operations
- Need \$130 M federal grant (INFRA) in FY 2021-22 (\$20 M to local contribution)
- \$89 M in “unused” CW State funds in FY 2028 & 2030 could provide a “return” for advancing CW State funds in other years

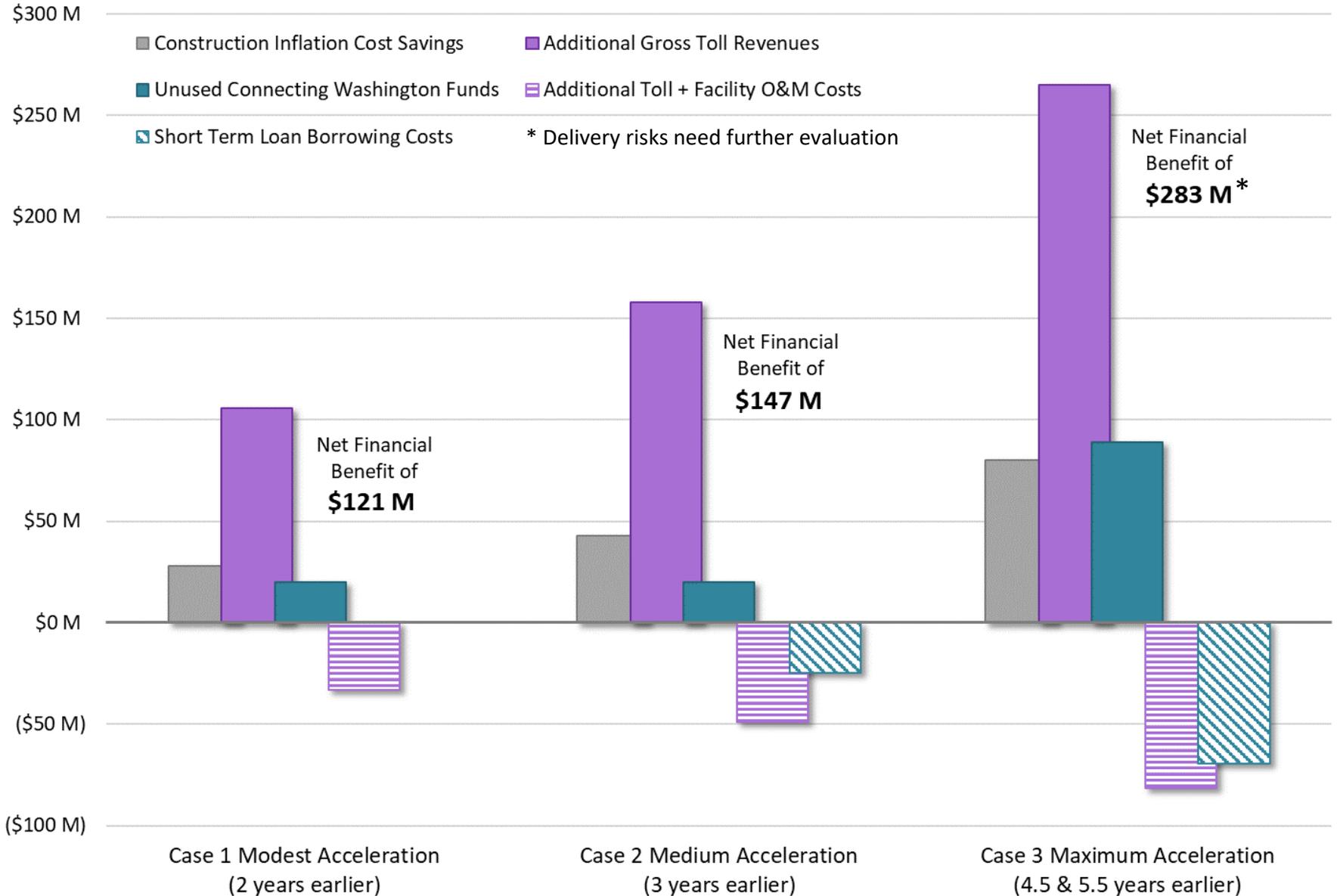


Net Toll Revenue



There are at least 22 years, and as many as 27 years in which net toll revenues are projected to be at least \$40 million, which is more than sufficient to pay debt service on \$180 M of capital funding

Financial Benefits of Program Acceleration



Program Next Steps

- Re-apply for INFRA grant
- Toll authorization needed from Legislature

More information:

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